

Tax Exclusion for Retired Public Safety Officers

The following information provides assistance for questions about the federal income tax exclusion for eligible public safety officer retirees. Consult with the Internal Revenue Service or your financial or tax advisor if you need more information about this tax exclusion.

Section 402(l), Internal Revenue Code¹, provides a tax exclusion of up to \$3,000 for accident, health insurance or tax qualified long term care insurance to eligible public safety officer retirees. A public safety officer is an individual who served at a public agency in an official capacity, with or without compensation, as a law enforcement officer, firefighter, chaplain, or as a member of a rescue squad or ambulance crew as defined under section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1986.

The eligibility criteria for this tax exclusion are:

- Served as a public safety officer at the time of retirement.
- Retired under normal or disability retirement.
- Your qualified insurance premiums must be deducted from your retirement benefit.
- Use Form 1040 to file your federal income taxes.

The tax exclusion from your gross income (reported on Form 1040) based on qualified health insurance premiums apply as long as:

- The total amount of the exclusion does not exceed the total amount used to pay the qualified health insurance premiums, and
- The same premiums already used in the calculation of your Health Insurance Subsidy tax exclusion cannot be used for the retired public safety officer federal income tax exclusion.

See the “Insurance Premiums for Retired Public Safety Officers” section in the [1040 Instructions](#) booklet for more information. The 1040 Instructions booklet is available from the Internal Revenue Service’s website (www.irs.gov). The Telephone Assistance for Individuals provided by the Internal Revenue Service can be reached toll-free at (800) 829-1040 between the hours of 7:00 a.m. – 10:00 p.m. your local time (Alaska and Hawaii follow Pacific Time) Monday through Friday.

¹ Provision was passed in section 845, Pension Protection Act of 2006.